



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Contact: \*CI-HQ-COMMUNICATIONSEDUCATION@ci.irs.gov  
IRS – Criminal Investigation

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### **Kentucky Tax Return Preparer Pleads Guilty to Federal Tax Crimes**

A Kentucky man pleaded guilty in the U.S. District Court for the Eastern District of Kentucky today to one count of conspiracy to defraud the United States with respect to claims, one count of wire fraud and one count of aggravated identity theft, announced Acting Assistant Attorney General Caroline D. Ciruolo of the Justice Department's Tax Division and U.S. Attorney Kerry B. Harvey of the Eastern District of Kentucky.

Brian Hamilton admitted that during the years 2011 and 2012 he conspired with others, including his brother, Billy Ray Hamilton, Patsy Carnes and Diana Hill to file false tax returns from the Bailey Switch Pawn Shop in Knox County, Kentucky. According to the plea agreement, the Hamiltons prepared and electronically filed with the Internal Revenue Service (IRS) at least 31 tax returns that contained false and fraudulent information regarding wages, self-employment income, expenses, filing statuses and dependents. The Hamiltons did not list their names as return preparers on these tax returns. In some cases, the Hamiltons filed false tax returns without the knowledge or permission of the taxpayers named on the returns. To aid in the preparing and filing of false tax returns, Hill obtained personal identifying information and Carnes was responsible for keeping files of that information and providing it to the Hamiltons.

He faces a statutory maximum sentence of 10 years in prison for the conspiracy charge and 20 years in prison for the wire fraud charge. He also faces a mandatory two year prison term for the aggravated identity theft charge, which will be in addition to any other term of imprisonment he receives. Hamilton also faces financial penalties, supervised release and restitution.

In January, Carnes and Hill each pleaded guilty to one count of conspiracy to defraud the United States with respect to claims. On April 20, Billy Ray Hamilton, pleaded guilty to conspiracy to defraud the United States, wire fraud and aggravated identity theft for his role in the scheme. He is scheduled to be sentenced on Aug. 2.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Harvey commended special agents of IRS – Criminal Investigation, who investigated the case and Assistant U.S. Attorney Neeraj Gupta of the Eastern District of Kentucky and Trial Attorney Abigail Burger Chingos of the Tax Division, who prosecuted the case.

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